

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

YANTIC POST OFFICE
YANTIC, CONNECTICUT 06389

Docket No. A2015-1

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(April 30, 2015)

On February 24, 2015, the Postal Regulatory Commission (Commission) received an appeal dated February 17, 2015, from postal customer Debercy Hinchey, Mayor of Norwich, Connecticut (Petitioner), objecting to the discontinuance of the Post Office at Yantic, Connecticut.¹ On March 16, 2015, the Commission issued Order No. 2392, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d).² In accordance with Order No. 2392, the administrative record was filed with the Commission on March 23, 2015.³ On April 15, 2015, Petitioner filed a letter in support of her appeal.⁴ On April 16, 2015, Petitioner filed a supplement to her April 15, 2015 letter.⁵ To date, the Public Representative has not yet filed an Initial Brief.

The appeal received by the Commission on February 24, 2015, raises three main issues: (1) the effect on postal services, (2) the impact upon the community, and (3) the

¹ Appeal on Closing Received from Mayor Debercy Hinchey and State Representative Kevin Ryan (Petition), PRC Docket No. A2015-1 (March 13, 2015).

² Notice and Order Accepting Appeal and Establishing Procedural Schedule, PRC Docket No. A2015-1 (March 16, 2015).

³ United States Postal Service Notice of Filing Administrative Record, PRC Docket No. A2015-1 (March 23, 2015).

⁴ Letter and Participant Statement Received from Mayor Debercy Hinchey Regarding the Yantic, CT Post Office (Participant Statement), PRC Docket No. A2015-1 (April 15, 2015).

⁵ Supplemental Info of the Yantic Post Office (Supplement), PRC Docket No. A2015-1 (April 16, 2015).

calculation of economic savings expected to result from discontinuing the Yantic Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,⁶ the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Yantic Post Office should be affirmed.

Background

The Final Determination to Close the Suspended Yantic, CT Post Office and Extend Service by City Delivery (FD), as well as the administrative record, indicate that the Yantic Post Office provided EAS-15 level service to 223 Post Office Box customers, no general delivery customers, and retail customers 47 hours per week.⁷ Prior to the emergency suspension, revenue was generally declining: \$359,086 in FY 2010; \$299,312 in FY 2011; and \$113,002 in FY 2012.⁸

On February 6, 2012, the Postal Service suspended retail operations at the Yantic Post Office.⁹ An inspection of the facility resulted in Postal Service officials observing deficiencies in safety and security of the facility.¹⁰ Initially, Yantic Post Office Box customers were asked to pick up their mail at the Bozrah Post Office.¹¹ In

⁶ See 39 U.S.C. 404(d)(2)(A).

⁷ FD at 9; Item No. 2, Notice of Post Office Emergency Suspension at 1; Item No. 2B, Notice of Post Office Emergency Suspension (Revised) at 1; Item No. 2E, Notice of Post Office Emergency Suspension (Revised) at 1. Since the Postal Service did not provide delivery service the physical addresses of all Yantic residents, a number of these 223 Post Office Box customers were Group E Post Office Box customers.

⁸ FD at 1.

⁹ Item No. 3 at 1.

¹⁰ Item No. 5 at 1A. See Item No. 6

¹¹ Item No. 3 at 1

response to concerns expressed at the community meeting and in comments submitted in response to the original Proposal, the district decided to offer delivery to those residents of the Yantic community who previously did not receive delivery to their physical address.¹² In a letter, dated November 26, 2012, the Manager Post Office Operations for the Connecticut Valley District explained that depending on the location of the physical address, such customers will receive delivery service via Cluster Box Units (CBUs), Gang Rural Box, or directly to their physical address.¹³ Interested customers were invited to complete PS Form 4702 by December 7, 2012 so that these requests for delivery could be implemented in January 2013.¹⁴

Upon implementation of the final determination, delivery and retail services will be provided by rural route and city delivery administered by the Norwich Post Office, an EAS-22 level office located approximately 3.7 miles away.¹⁵ Regular and effective postal services will continue to be provided to the Yantic community in a cost-effective manner upon implementation of the final determination.¹⁶

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Yantic Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of

¹² Item No. 20 at 1.

¹³ *Id.*

¹⁴ *Id.* See FD at 8.

¹⁵ *Id.*

¹⁶ FD at 1.

the Yantic Post Office. Questionnaires were also available over the counter for retail customers at Norwich Post Offices.¹⁷ A letter from the Post Office Review Coordinator for the Connecticut Valley District was also sent to Yantic Post Office customers, which advised customers that the Postal Service was evaluating whether the Postal Service should discontinue operation of the suspended Yantic Post Office, and that effective and regular service could be provided through rural route and city delivery and retail services available at the nearby Norwich and Bozrah Post Offices. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route and city delivery.¹⁸ The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item Nos. 10 and 20.

In addition, representatives from the Postal Service were available at the Yantic Fire Station for a community meeting on November 14, 2012, to answer questions and provide information to customers.¹⁹ Customers received formal notice of the Proposal and FD through postings at nearby facilities. The original Proposal was posted with an invitation for public comment at the Norwich and Bozrah Post Offices from October 6, 2012 to December, 7, 2012.²⁰ The Postal Service revised the proposal in August 2013 to reflect a change in the Administrative Post Office from Bozrah Post Office to Norwich

¹⁷ FD at 2.

¹⁸ Item No. 10B at 1.

¹⁹ Item No. 12 at 1. See Item No. 12 at 3, Memorandum for the official record that indicates that the November 7, 2012 community meeting was rescheduled due to inclement weather.

²⁰ Item No. 14B at 2, Memorandum for the Official Record Reposting & changes made to Items 14, 15, 16, and 17. See Item No. 23 at 4 and 8

Post Office. The revised Proposal was posted with an invitation for public comment at the Bozrah and Norwich Post Offices from August 2, 2013 to October 3, 2013.²¹ The FD was posted at the same Post Offices starting on January 26, 2015 and ending on February 27, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.²²

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of discontinuing the suspended Yantic Post Office on postal services provided to Yantic customers. The discontinuance is premised upon providing regular and effective postal services to Yantic customers.

In her letter of appeal, Petitioner raises the issue of the effect on postal services of the Yantic Post Office's closing, noting the location of the suspended Yantic Post Office and its convenience to postal customers, especially those located in the Stanley Israelite Business Park.²³ The Petitioner expresses particular concern about the limited number of Post Office Boxes available at the nearby Bozrah Post Office and that customers who received free Post Office Box service at Yantic Post Office, now are charged for Post Office Box Service at Bozrah Post Office. Each of these concerns was considered by the Postal Service.

²¹ Item Nos. 15; 16; 17; 23 at 10-13, 17.

²² Item Nos. 34; and 36 at 1 and 2.

²³ Supplemental Letter.

Upon the implementation of the final determination, delivery and retail services will be provided by rural route and city delivery emanating from the Norwich Post Office. The window service hours of the Norwich Post Office are from 9:00 a.m. to 5:00 p.m. Monday through Friday and 9:00 a.m. to 12:30 p.m. on Saturday.²⁴ In addition, customers may also obtain postal retail services at the nearby Bozrah Post Office. The window service hours of the Bozrah Post Office are from 9:30 to 11:30 a.m. and 12:30 to 4:30 p.m. Monday through Friday and 8:30 a.m. to 12:00 p.m. on Saturday.²⁵ In addition, customers opting for delivery service will have 24-hour access to their mail.²⁶

Following the emergency suspension and as a result of concerns raised at the community meeting and in customer comments, the district offered delivery service to Yantic customers who previously did not receive delivery services at their physical addresses.²⁷ Service has been provided to CBUs and Gang Rural Boxes installed on the carrier's line of travel, and customers do not have to make a special trip to the Post Office for service. CBUs provide the security of individually locked mail compartments. Parcel lockers provide convenient parcel delivery for customers. Various options exist for the shipping of packages and obtaining other retail services, which are explained on www.usps.com. Postal Service customers may also utilize Click-N-Ship service to print shipping labels with postage for Priority Mail and Priority Express Mail. Carrier pickup is

²⁴ FD at 2.

²⁵ *Id.*

²⁶ FD at 7.

²⁷ Since delivery service is now available to Yantic customers, these customers are no longer eligible for Group E Post Office Boxes. Accordingly, Post Office Box service is no longer available at no charge.

available, which allows for scheduling the pickup of packages at the same time the carrier delivers the mail.

The Postal Service has considered the impact of closing the Yantic Post Office upon the provision of postal services to Yantic customers. Rural route and city delivery provides similar access to retail service, while alleviating the need to travel to the Post Office.²⁸ Thus, the Postal Service properly concluded that all Yantic customers will continue to receive regular and effective service via rural route and city delivery.

Effect Upon the Yantic Community

The Postal Service is obligated to consider the effect of its decision to close the Yantic Post Office upon the community.²⁹ While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to discontinue a Post Office.

Yantic is an unincorporated community located in New London County.³⁰ The community is administered politically by the City of Norwich.³¹ Police protection and fire protection are provided by the City of Norwich.³² The community is comprised of small businesses, older residential homes and individuals who work in the community or commute to nearby communities.³³ The questionnaires completed by Yantic customers

²⁸ FD at 7.

²⁹ 39 U.S.C. § 404(d)(2)(A)(i).

³⁰ *Id.* at 8.

³¹ *Id.*

³² *Id.* See also Item No. 6 at 1 and 7.

³³ *Id.*

indicate that, in general, Yantic residents travel to neighboring communities for other supplies and services.³⁴

The Postal Service considered the effect of discontinuing the Yantic Post Office upon the Yantic community, as reflected in the administrative record.³⁵ Communities generally require regular and effective postal services and these will continue to be provided to the Yantic community. Carrier service is expected to be able to handle any future growth in the community.³⁶ In addition, customers may obtain retail services at nearby Post Offices. The Postal Service noted that the community name will be maintained for customer addressing and the ZIP Code is not expected to change.³⁷ In addition, the Postal Service has concluded that nonpostal services provided by the Yantic Post Office can be provided by the Norwich Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies.³⁸

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of discontinuing the Yantic Post Office on the community served by the Yantic Post Office.

Economic Savings

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies,

³⁴ Item No. 10 at 7, 9, 11, 13, 15, 17, 21, 25, 29, 31, 33, 39, 43, 45, 47, 49, 51, 53, 55, 60, 65, and 69.

³⁵ FD, at 8; Item No. 17 (Proposal) at 2.

³⁶ FD, at 8, Item No. 17 (Proposal) at 2.

³⁷ FD, at 8, Item No. 17 (Proposal) at 2.

³⁸ FD, at 8, Item No. 17 (Proposal) at 2.

which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route and city delivery service would cost the Postal Service substantially less than maintaining the suspended Yantic Post Office and would still provide regular and effective service.³⁹ The estimated ten year savings associated with discontinuing the suspended Yantic Post Office are \$757,855.⁴⁰

Despite the estimated annual cost savings, Petitioner claims that the suspended Yantic Post Office should remain open, because it was profitable before retail operations were suspended.⁴¹ However, the profitability of a Post Office is not determinative of whether it is the most cost-effective means of providing postal services. Indeed, the Final Determination to discontinue the Yantic Post Office is premised on providing regular and effective postal services in the most cost-efficient manner. Accordingly, when evaluating a Post Office for discontinuance the Postal Service considers a variety of factors including, the postmaster's workload; the availability of other delivery and retail options (including the convenience of delivery and retail services provided by rural and city carriers); the impact on the community; declining office revenues; and the estimated financial savings.⁴² Here, the Postal Service correctly applied these factors when determining that regular and effective postal

³⁹ Item No. 21.

⁴⁰ Item No. 35 at 8. See also Item No. 8

⁴¹ In any event, a single retail unit cannot be determined to be profitable by simply comparing revenue to cost of operation. There are costs of operation that are not represented in the cost estimate, such as the downstream costs to process and deliver the mail for which postage was sold at the retail unit.

⁴² FD at 8.

services could be more efficiently provided to the Yantic community by rural route and city delivery.

The Postal Service determined that carrier service is more cost-effective than maintaining the Yantic Post Office and postmaster position.⁴³ The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. After retail operations at the Yantic Post Office were suspended, the postmaster was assigned to a different Post Office.⁴⁴ Upon implementation of the Final Determination, the postmaster will continue to work that Post Office. The record shows that no other employee would be affected by this closing.⁴⁵ Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Yantic Post Office, consistent with its statutory obligations. 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Yantic Post Office on the provision of postal services and on the community, as well as the

⁴³ FD at 5.

⁴⁴ Item No.2 at 1; Item No. 2B at 1.

⁴⁵ Item No. 15.

economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Yantic customers.⁴⁶ The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to discontinue the suspended Yantic Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Yantic Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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⁴⁶ FD at 7.